

असाधारण EXTRAORDINARY

भाग II — खण्ड 2

PART II - Section 2

प्राधिकार से प्रकाशित

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### RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on 13th March, 2003:---

#### BILL No. XXIII of 2003

A Bill further to amend the Essential Commodities Act, 1955.

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:---

- 1. This Act may be called the Essential Commodities (Amendment) Act, 2003.
- 2. In section 3 of the Essential Commodities Act, 1955, after sub-section (3C), the following shall be, and shall be deemed to have been inserted, on and from the 14th day of June, 1999, namely:—

'(3D) The Central Government may direct that no producer, importer or exporter shall sell or otherwise dispose of, or deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it is produced, whether such godowns are situated within the premises of the factory or outside, or from the warehouses of the importers or exporters, as the case may be, except under and in accordance with the direction issued by the Government:

Provided that this sub-section shall not affect the pledging of such sugar by any producer or importer in favour of any scheduled bank as defined in clause (e) of section 2 of the Reserve Bank of India Act, 1934 or any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, so, however, that no such bank shall sell the sugar pledged to it except under and in accordance with a direction issued by the Central Government.

Short title.

Amendment of section 3 of Act 10 of 1955.

2 of 1934.

5 of 1970.

(3E) The Central Government may, from time to time, by general or special order, direct any producer or importer or exporter or recognised dealer or any class of producers or recognised dealers, to take action regarding production, maintenance of stocks, storage, sale, grading, packing, marking, weighment, disposal, delivery and distribution of any kind of sugar in the manner specified in the direction.

Explanation.—For the purposes of sub-section (3D) and this sub-section,—

- (a) "producer" means a person carrying on the business of manufacturing sugar;
- (b) "recognised dealer" means a person carrying on the business of purchasing, selling or distributing sugar;
- (c) "sugar" includes plantation white sugar, raw sugar and refined sugar, whether indigenously produced or imported.'.
- Validation of action taken under clauses 4 and 5 of the Sugar (Control) Order, 1966.
- 3. (1) Notwithstanding anything contained in any judgment, decree or order of any court or other authority or any agreement, any action taken or anything done or omitted to be done or purported to have taken or done or omitted to be done under any direction or order issued by the Central Government under clause 4 or clause 5 of the Sugar (Control) Order, 1966, made under section 3 of the Essential Commodities Act, 1955, at any time during the period commencing on and from the 14th day of June, 1999 till the day on which the Essential Commodities (Amendment) Bill, 2003 receives the assent of the President, shall be deemed to be and deemed always to have been, for all purposes, as validly and effectively taken or done or omitted to be done under sub-section (3D) or sub-section (3E), as the case may be, of section 3 of the Essential Commodities Act, 1955, as if the said sub-sections had been in force at all material times.
- (2) For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would have not been so punishable if this Act had not come into force.

10 of 1955.

#### STATEMENT OF OBJECTS AND REASONS

The Essential Commodities Act, 1955, inter alia, provides that, for maintaining or increasing supplies of essential commodities or for securing their equitable distribution and availability at fair prices, the Central Government may issue orders regulating or prohibiting the production, supply and distribution of such essential commodities and trade and commerce therein so as to achieve the objectives of the Act.

- 2. The Central Government has been following a policy of partial control of sugar since 1966 and requisitioning a portion of sugar as levy sugar for the Public Distribution System. The Central Government has adopted a "regulated release" mechanism for release of levy-free sugar (free sale sugar) by issuing orders under the Sugar (Control) Order, 1966. The said Order was last amended on 14th June, 1999. Clause 4 of the said order empowered the Central Government to direct that no producer or importer shall sell or otherwise dispose of or deliver any kind of sugar or remove any kind of sugar from the bonded godowns of the factory in which it was produced or from the warehouses of importers except under and in accordance with a direction issued, in writing, by the Central Government. Similarly, clause 5 of the said Order empowered the Central Government to issue, from time to time, general or special order to producers, importers, recognised dealers, etc., regulating the production, maintenance of stocks, storage, sale, marking, weighment, disposal, delivery and distribution of any kind of sugar.
- 3. The recent challenge to the "regulated release" mechanism in the courts has led to difficulties in its operation resulting in decline in sugar prices, which, in turn, has affected the capacity of the producers of sugar to pay cane price to the sugarcane growers. In order to safeguard the interests of the sugarcane growers, producers of sugar and the general public, to restablize the market price of sugar and to overcome the difficulties arising from the said challenge, it has become necessary to incorporate provisions in the Essential Commodities Act, 1955, enabling the Central Government to issue orders or directions to implement "regulated release" mechanism policy of the Government effectively.
- 4. Accordingly, it is proposed to suitably incorporate provisions analogous to clauses 4 and 5 of the Sugar (Control) Order, 1966 in the Essential Commodities Act, 1955 and to validate any action taken or anything done under the Sugar (Control) Order, 1966.
  - 5. The Bill seeks to achieve the above objects.

SHARAD YADAV.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill seeks to insert new sub-sections (3D) and (3E) in section 3 of the Essential Commodities Act, 1955. The proposed new sub-section (3D) empowers the Central Government to issue directions that no producer, importer or exporter shall sell or otherwise dispose of or deliver any kind of sugar or remove any kind of sugar from bonded godowns of the factory in which it is produced except under and in accordance with such direction. The proposed new sub-section (3E) empowers the Central Government to issue general or special order directing any producer, importer, exporter or recognised dealers, etc., for taking action regarding stocks, storage, sale, grading, packing, marking, weighment, disposal, delivery and distribution of any kind of sugar in the manner specified in the direction.

Sub-Section (6) of section 3 of the Act requires that every order made under that section shall be laid before both Houses of Parliament, as soon as may be, after it is made.

The matters in respect of which orders may be issued under the proposed new Sub-Sections (3D) and (3E) are matters of details and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

YOGENDRA NARAIN, Secretary-General.